



4310-05-P

DEPARTMENT OF THE INTERIOR

Office of Surface Mining Reclamation and Enforcement

30 CFR Part 943

[SATS No. TX-068-FOR; Docket ID: OSM-2018-0002; S1D1S SS08011000 SX064A000 201S180110; S2D2S SS08011000 SX064A000 20XS501520]

Texas Regulatory Program

AGENCY: Office of Surface Mining Reclamation and Enforcement, Interior.

ACTION: Final rule; approval of amendment.

SUMMARY: We, the Office of Surface Mining Reclamation and Enforcement (OSMRE), are approving an amendment to the Texas regulatory program (Texas program) under the Surface Mining Control and Reclamation Act of 1977 (SMCRA or the Act). Texas proposed revisions to its program regarding annual permit fees for calendar years 2017 and 2018. Texas also proposed to remove a restriction in its rules that conflicts with the United States Bankruptcy Code.

DATES: The effective date is [INSERT 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

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SUPPLEMENTARY INFORMATION:

- I. Background on the Texas Program
- II. Submission of the Amendment
- III. OSMRE's Findings
- IV. Summary and Disposition of Comments
- V. OSMRE's Decision
- VI. Statutory and Executive Order Reviews

I. Background on the Texas Program

Section 503(a) of the Act permits a State to assume primacy for the regulation of surface coal mining and reclamation operations on non-Federal and non-Indian lands within its borders by demonstrating that its program includes, among other things, State laws and regulations that govern surface coal mining and reclamation operations in accordance with the Act and consistent with the Federal regulations. *See* 30 U.S.C. 1253(a)(1) and (7). On the basis of these criteria, the Secretary of the Interior

conditionally approved the Texas program effective February 16, 1980. You can find background information on the Texas program, including the Secretary's findings, the disposition of comments, and the conditions of approval of the Texas program in the February 27, 1980, **Federal Register** (45 FR 12998). You can also find later actions concerning the Texas program and program amendments at 30 CFR 943.10, 943.15 and 943.16.

II. Submission of the Amendment

By letter dated February 7, 2018 (Administrative Record No. TX-706), Texas sent us an amendment to its program under SMCRA (30 U.S.C. 1201 *et seq.*) at its own initiative.

We announced receipt of the proposed amendment in the August 29, 2018, **Federal Register** (83 FR 44012). In the same document, we opened the public comment period and provided an opportunity for a public hearing or meeting on the adequacy of the amendment. We did not hold a public hearing or meeting because no one requested one. The public comment period ended on September 28, 2018. We received three public comments (Administrative Record No. TX-706-03) that are addressed in the Public Comments section of part IV, Summary and Disposition of Comments, below.

III. OSMRE's Findings

We are approving the amendment as described below. The following are findings we made concerning Texas's amendment under SMCRA and the Federal regulations at 30 CFR 732.15 and 732.17. Any revisions that we do not specifically discuss below concerning non-substantive wording or editorial changes can be found in the full text of the program amendment available at <https://www.regulations.gov>.

A. 16 Texas Administrative Code—Section 12.108. Permit Fees

Texas proposed revising its regulations at Texas Administrative Code (TAC), Title 16, section 12.108(b), regarding annual permit fees by:

- (1) Amending the calendar years specified in paragraph (b) to calendar years 2017 and 2018;
- (2) Decreasing the amount of the fee, from \$13.05 to \$12.85, for each acre of land within a permit area covered by a reclamation bond on December 31 of the year; and
- (3) Decreasing the amount of the fee, from \$6,600 to \$6,170, for each permit in effect on December 31 of the year.

Texas fully funds its share of costs to regulate the coal mining industry with fees paid by the coal industry. To meet these costs, Texas charges a permit application fee and two annual fees, as mentioned above. The proposed fee revisions are intended to provide adequate funding to pay the State's cost of operating its regulatory program while continuing to provide incentives for industry to accomplish reclamation and achieve bond release as quickly as possible.

We find that Texas’s proposed fee changes are consistent with the discretionary authority provided by the Federal regulation at 30 CFR 777.17. The Federal regulations allow the regulatory authority to determine the fee for an application for a surface coal mining and reclamation permit as long as the fee does not exceed the actual or anticipated cost of reviewing, administering, and enforcing the permit. Texas has determined that the permit fees assessed do not exceed the actual or anticipated cost of reviewing, administering, and enforcing the permit. This is evident as Texas is requesting a decrease in the fees previously assessed based on an assessment of the cost to review, administer, and enforce Texas permits. Therefore, we are approving Texas’s revision as it is no less effective than the Federal regulations.

B. 16 Texas Administrative Code—Section 12.309. Terms and Conditions of the Bond.

Texas proposed to revise its regulation at Texas Administrative Code (TAC), Title 16, section 12.309(j)(2)(B), by:

- (1) Removing the condition that self-bond applicants must not have been subject to bankruptcy proceedings during the 5-year period immediately preceding the date of application.

Texas proposed this revision to conform to the self-bonding regulations at 30 CFR 800.23(b) and the United States Bankruptcy Code protections against discriminatory treatment for debtors at 11 U.S.C. 525(a). The regulations at 30 CFR 800.23(b) have no requirement that the self-bond applicant must not have been subject to a bankruptcy proceeding. This provision was within the approved Texas program and deemed to be more stringent than SMCRA or more effective than the regulations thereunder. However,

based upon the provisions of 11 U.S.C. 525, discriminating against a self-bond applicant on the basis of participation in a bankruptcy proceeding is not permissible. Therefore, Texas proposed to remove this requirement from its approved program.

The provisions of proposed 16 TAC section 12.309(j)(2)(B) mirror the provisions of 30 CFR 800.23(b)(2) that require the applicant for a self-bond to have been in continuous operation as a business entity for a period of not less than five years immediately preceding the time of application. The Texas proposed amendment also mirrors the provisions of 30 CFR 800.23(b)(2)(i) that allow a joint venture or syndicate with less than five years of continuous operation to qualify under the requirement of 30 CFR 800.23(b)(2) if each member of the joint venture or syndicate has been in continuous operations for at least five years immediately preceding the time of application. Therefore, the removal of the provision precluding consideration of and reference to bankruptcy provisions renders the Texas regulations consistent with the OSMRE self-bonding regulations at 30 CFR 800.23(b).

Additionally, the proposed amendment is conformity with the broad provisions of the United States Bankruptcy Code section 525(a) that forbid a governmental unit from discriminating against a person that has been a debtor or associated with a debtor. This prohibition extends only to discrimination or other action based solely on the basis of the bankruptcy, on the basis of the insolvency, before or during bankruptcy prior to determination of discharge, or on the basis of nonpayment of a debt discharged in the bankruptcy case. Therefore, we find that Texas's proposed amendment renders its rules or regulations no less effective than the Federal self-bonding regulations found at 30 CFR

800.23(b) and we are approving Texas's revision.

Effective Date

The Texas regulatory authority's February 7, 2018, letter suggests that the proposed rule changes were effective November 23, 2015; December 25, 2017; and April 25, 2017. A state program amendment is not effective until approved by OSMRE. 30 CFR 732.17(g); *see also U.S. v. E&C Coal Co., Inc.*, 846 F.2d 247, 249 (4th Cir. 1988). The approved amendments will become effective on the date specified in this document.

IV. Summary and Disposition of Comments

Public Comments

We asked for public comments on the amendment. As noted in Section II, we received three comments (Administrative Record No. TX-706-03). The comments related to the Security Exchange commission, global warming, and radioactive free steel. The three comments were outside the scope of the proposed amendment and not germane to the topic of surface coal mining in general. We are not addressing these comments in this final rule for these reasons. These comments are available in their entirety at <https://www.regulations.gov>

Federal Agency Comments

On March 21, 2018, pursuant to 30 CFR 732.17(h)(11)(i) and section 503(b) of SMCRA, we requested comments on the amendment from various Federal agencies with an actual or potential interest in the Texas program (Administrative Record No. TX-706-02). We did not receive any comments.

Environmental Protection Agency (EPA) Concurrence and Comments

Under 30 CFR 732.17(h)(11)(ii), we are required to receive a written concurrence from EPA for those provisions of the program amendment that relate to air or water quality standards issued under the authority of the Clean Water Act (33 U.S.C. 1251 *et seq.*) or the Clean Air Act (42 U.S.C. 7401 *et seq.*). None of the revisions that Texas proposed to make in this amendment pertain to air or water quality standards. Therefore, we did not ask EPA to concur on the amendment. However, on March 21, 2018, under 30 CFR 732.17(h)(11)(i), we requested comments from the EPA on the amendment (Administrative Record No. TX-706-02). The EPA provided no comments and did not respond to our request.

State Historical Preservation Officer (SHPO) and the Advisory Council on Historic Preservation (ACHP)

Under 30 CFR 732.17(h)(4), we are required to request comments from the SHPO and ACHP on amendments that may have an effect on historic properties. On March 21, 2018, we requested comments on the amendment (Administrative Record No. TX-706-02). We did not receive any comments.

V. OSMRE's Decision

Based on the above finding, we are approving the Texas amendment that was submitted on February 7, 2018 (Administrative Record No. TX-706).

To implement this decision, we are amending the Federal regulations at 30 CFR part 943 that codify decisions concerning the Texas program. In accordance with the Administrative Procedure Act (5 U.S.C. 553), this rule will take effect 30 days after the date of publication. Section 503(a) of SMCRA (30 U.S.C. 1253(a)) requires that the State's program must demonstrate that the State has the capability of carrying out the provisions of the Act and meeting its purposes. SMCRA requires consistency of State and Federal standards.

VI. Statutory and Executive Order Reviews

Executive Order 12630 – Governmental Actions and Interference with Constitutionally Protected Property Rights

This rule would not effect a taking of private property or otherwise have taking implications that would result in public property being taken for government use without just compensation under the law. Therefore, a takings implication assessment is not required. This determination is based on an analysis of the corresponding Federal regulations.

Executive Order 12866 - Regulatory Planning and Review and 13563—Improving Regulation and Regulatory Review

Executive Order 12866 provides that the Office of Information and Regulatory Affairs in the Office of Management and Budget (OMB) will review all significant rules.

Pursuant to OMB guidance, dated October 12, 1993, the approval of State program amendments is exempted from OMB review under Executive Order 12866. Executive Order 13563, which reaffirms and supplements Executive Order 12866, retains this exemption.

Executive Order 13771—Reducing Regulation and Controlling Regulatory Costs

State program amendments are not regulatory actions under Executive Order 13771 because they are exempt from review under Executive Order 12866.

Executive Order 12988 - Civil Justice Reform

The Department of the Interior has reviewed this rule as required by Section 3 of Executive Order 12988. The Department has determined that this **Federal Register** document meets the criteria of Section 3 of Executive Order 12988, which is intended to ensure that the agency reviews its legislation and regulations to eliminate drafting errors and ambiguity; that the agency write its legislation and regulations to minimize litigation; and that the agency's legislation and regulations provide a clear legal standard for affected conduct, rather than a general standard, and promote simplification and burden reduction. Because Section 3 focuses on the quality of Federal legislation and regulations, the Department limited its review under this Executive Order to the quality of this **Federal Register** document and to changes to the Federal regulations. The review under this Executive Order did not extend to the language of the State regulatory program or to the program amendment that the State of Texas drafted.

Executive Order 13132 - Federalism

This rule is not a “[p]olicy that [has] Federalism implications” as defined by Section 1(a) of Executive Order 13132 because it does not have “substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.” Instead, this rule approves an amendment to the Texas program submitted and drafted by that State. OSMRE reviewed the submission with fundamental federalism principles in mind as set forth in Section 2 and 3 of the Executive Order and with the principles of cooperative federalism as set forth in SMCRA. *See, e.g.*, 30 U.S.C. 1201(f). As such, pursuant to section 503(a)(1) and (7) (30 U.S.C. 1253(a)(1) and (7)), OSMRE reviewed the program amendment to ensure that it is “in accordance with” the requirements of SMCRA and “consistent with” the regulations issued by the Secretary pursuant to SMCRA.

Executive Order 13175 - Consultation and Coordination with Indian Tribal Governments

The Department of the Interior strives to strengthen its government-to-government relationship with Tribes through a commitment to consultation with Tribes and recognition of their right to self-governance and tribal sovereignty. We have evaluated this rule under the Department’s consultation policy and under the criteria in Executive Order 13175, and have determined that it has no substantial direct effects on federally recognized Tribes or on the distribution of power and responsibilities between

the Federal government and Tribes. Therefore, consultation under the Department's tribal consultation policy is not required. The basis for this determination is that our decision is on the Texas program that does not include Tribal lands or regulation of activities on Tribal lands. Tribal lands are regulated independently under the applicable, approved Federal program.

Executive Order 13211 – Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use

Executive Order 13211 requires agencies to prepare a Statement of Energy Effects for a rulemaking that is (1) considered significant under Executive Order 12866, and (2) likely to have a significant adverse effect on the supply, distribution, or use of energy. Because this rule is exempt from review under Executive Order 12866 and is not a significant energy action under the definition in Executive Order 13211, a Statement of Energy Effects is not required.

Executive Order 13045—Protection of Children from Environmental Health Risks and Safety Risks

This rule is not subject to Executive Order 13045 because this is not an economically significant regulatory action as defined by Executive Order 12866; and this action does not address environmental health or safety risks disproportionately affecting children.

National Environmental Policy Act

Consistent with sections 501(a) and 702(d) of SMCRA (30 U.S.C. 1251(a) and 1292(d), respectively) and the U.S. Department of the Interior Departmental Manual, part 516, section 13.5(A), State program amendments are not major Federal actions within the meaning of section 102(2)(C) of the National Environmental Policy Act (42 U.S.C. 4332(2)(C)).

National Technology Transfer and Advancement Act

Section 12(d) of the National Technology Transfer and Advancement Act (15 U.S.C. 3701 *et seq.*) directs OSMRE to use voluntary consensus standards in its regulatory activities unless to do so would be inconsistent with applicable law or otherwise impractical. (OMB Circular A-119 at p. 14). This action is not subject to the requirements of section 12(d) of the NTTAA because application of those requirements would be inconsistent with SMCRA.

Paperwork Reduction Act

This rule does not include requests and requirements of an individual, partnership, or corporation to obtain information and report it to a Federal agency. As this rule does not contain information collection requirements, a submission to the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*) is not required.

Regulatory Flexibility Act

This rule will not have a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). The Texas submittal, which is the subject of this rule, is based upon corresponding Federal regulations for which an economic analysis was prepared and certification made that such regulations would not have a significant economic effect upon a substantial number of small entities. In making the determination as to whether this rule would have a significant economic impact, the Department relied upon the data and assumptions for the corresponding Federal regulations.

Small Business Regulatory Enforcement Fairness Act

This rule is not a major rule under 5 U.S.C. 804(2), the Small Business Regulatory Enforcement Fairness Act. This rule: (a) does not have an annual effect on the economy of \$100 million; (b) will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; and (c) does not have significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of U.S.-based enterprises to compete with foreign-based enterprises. This determination is based on an analysis of the corresponding Federal regulations, which were determined not to constitute a major rule.

Unfunded Mandates Reform Act

This rule does not impose an unfunded mandate on State, local, or Tribal

governments, or the private sector of more than \$100 million per year. The rule does not have a significant or unique effect on State, local, or Tribal governments or the private sector. This determination is based on an analysis of the corresponding Federal regulations, which were determined not to impose an unfunded mandate. Therefore, a statement containing the information required by the Unfunded Mandates Reform Act (2 U.S.C. 1531 *et seq.*) is not required.

List of Subjects in 30 CFR Part 943

Intergovernmental relations, Surface mining, Underground mining.

Dated: September 9, 2019.

Alfred L. Clayborne, Regional Director,
Mid-Continent Region.

For the reasons set out in the preamble, 30 CFR part 943 is amended as set forth below:

PART 943 - TEXAS

1. The authority citation for part 943 continues to read as follows:

Authority: 30 U.S.C. 1201 *et seq.*

2. Section 943.15 is amended in the table by adding an entry for “16 Texas Administrative Code—Section 12.108, related to permit fees; and Section 12.309, related to self-bonding applications” in chronological order by “Date of final publication” to read as follows:

§943.15 Approval of Texas regulatory program amendments.

* * * * *

Original amendment submission date	Date of final publication	Citation/description
* * * * * February 7, 2018	* * <u>[Insert date of publication in the Federal Register]</u>	16 Texas Administrative Code— Section 12.108, related to permit fees; and Section 12.309, related to self-bonding applications.

[FR Doc. 2019-25186 Filed: 11/19/2019 8:45 am; Publication Date: 11/20/2019]